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ABSTRACT

The report identifies and describes trends characterizing Hispanics' economic situation in the 1980s. It also analyzes the most significant contributions to these trends, and their public policy implications. The following trends are discussed: (1) stagnating income levels and continued high poverty; (2) high proportions of impoverished children; (3) no improvement for woman-maintained households; (4) deepening hardship among married couple families; (5) widening income disparity between Hispanics and other ethnic groups; (6) still significant, still unequal benefits from education; and (7) a decrease in men's earnings with an increase in women's earnings. The following factors contributing to these trends are examined: (1) concentration in low-wage, unstable jobs; (2) undereducation; (3) demographic characteristics such as a relatively younger median age and an increase in female-headed households; (4) increased immigration; (5) cut-backs in Federal programs; and (6) employment discrimination. The basic conclusion of this report is that, by any standard, Hispanics lost ground economically during the 1980s. The most troubling trend identified is the declining position of working, married couple Hispanic families, because this shows that even those who are committed to hard work and family values can be afflicted by poverty. The following policy interventions are suggested: (1) increasing the value of work; (2) improving educational opportunities; (3) enhancing employment opportunities; and (4) reducing employment discrimination. Twenty-seven figures, 16 references, and 13 tables are included. (JS)

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THE DECADE OF THE HISPANIC: AN ECONOMIC RETROSPECTIVE

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THE NCLR POVERTY PROJECT

The Poverty Project serves as NCLR's base for information and advocacy regarding Hispanic poverty in the United States. The Project is supported primarily by grants from the Rockefeller Foundation and the Ford Foundation.

The Role of the Poverty Project

- **Promoting effective public policies.** The Poverty Project develops reports which analyze, identify, and promote public policies to reduce poverty;
- **Providing issue forums.** The Poverty Project stimulates ideas and interaction by sponsoring discussion roundtables, workshops, and fellowships, and through participation in academic conferences;
- **Cultivating public support and understanding.** The Poverty Project disseminates information to Congress through briefings and testimony; to the media through press conferences and interviews; to local and national organizations through presentations and a quarterly newsletter; and to the general public through articles and editorials.

For more information about NCLR's Poverty Project, contact: Julie Quiroz, Senior Policy Analyst, (202) 289-1380, extension 218.

THE DECADE OF THE HISPANIC: AN ECONOMIC RETROSPECTIVE

TABLE OF CONTENTS

I. Introduction 1

II. Seven Trends in the 1980s 2
Stagnating Income Levels and Continued High Poverty 2
High Proportion of Impoverished Children 4
No Improvement for Woman-Maintained Households 4
Deepening Hardship Among Married-Couple Families 7
Widening Income Disparity 11
Still Significant, Still Unequal Benefits From Education 13
Men's Earnings Decreasing; Women's Earnings Increasing 16

III. Discussion 20

IV. Conclusions and Policy Implications 22

Endnotes 23

Appendix A 24

INTRODUCTION

Many observers predicted that the 1980s would be "The Decade of the Hispanic." In many ways, the name fit: from 1980 to 1989, the Hispanic population grew from 14.5 to 20.1 million persons -- 8.2% of the total U.S. population. Hispanics also became a larger proportion of the workforce, reaching a full 7.6% in 1989. Of course, the Hispanic population did more than just grow: in public office and the media, Hispanics emerged as respected and talented individuals; in business, Hispanics ran at least one quarter of a million small businesses; in the field of law, Hispanics' victory in the *Edgewood v. Kirby* school finance decision paved the way for greater educational equity for all Americans; in families, over a million married Hispanic women were active in the paid labor force.

Despite this growth and energy, an economic retrospective of "The Decade of the Hispanic" is sobering. Using the most recent Census Bureau data available,[1] the following report identifies seven trends which characterized Hispanics' economic situation in the 1980s:

- **Stagnating Income Levels and Continued High Poverty**
- **High Proportions of Impoverished Children**
- **No Improvement for Woman-Maintained Households**
- **Deepening Hardship among Married-Couple Families**
- **Widening Income Disparity**
- **Still Significant, Still Unequal Benefits From Education**
- **Men's Earnings Decreasing; Women's Earnings Increasing**

In addition to describing these trends, this report also analyzes the most significant factors contributing to these trends, and their challenging but potentially exciting public policy implications.

In the 1980s, Hispanics gained unprecedented visibility. In the 1990s, Hispanics can translate this enhanced visibility into greater economic security, and an even greater contribution to the future of this nation.

SEVEN TRENDS IN THE 1980s

TREND 1: Stagnating Income Levels and Continued High Poverty

For Hispanics, the 1980s have been a decade of stagnant income levels and consistently high poverty rates, even during years of economic expansion. During the recession of the early 1980s, many Americans underwent serious economic hardship. At the close of the decade -- and years into a highly touted economic recovery -- some Americans had not regained the economic ground lost during the early 1980s. According to annual Census Bureau data, Hispanics are the population that has benefited least from the economic recovery.

Trends In Family Income

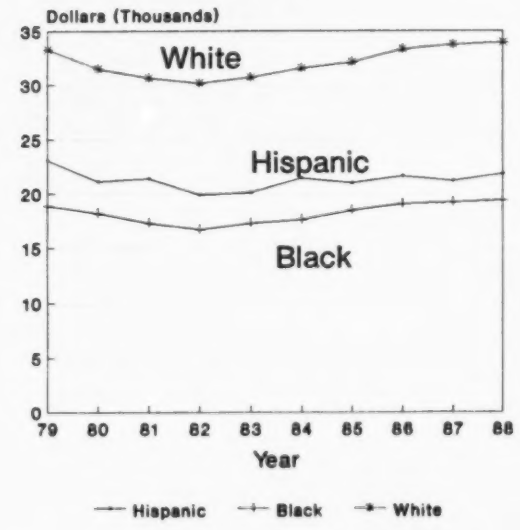
Between 1979 and 1982, Hispanic median family income fell by 14%, adjusting for inflation. Then, in the six years between 1982 and 1988, Hispanic income increased, but only by 9%. In other words, Hispanic families' recovery equaled about 60% of their loss.

By comparison, between 1982 and 1988, White median family income increased by 12%, fully regaining and even surpassing its 1979 level. In the same six-year period, Black median family income increased by 16%, also recovering to its 1979 level. (Figures 1 and 2)

Poverty Trends In the 1980s

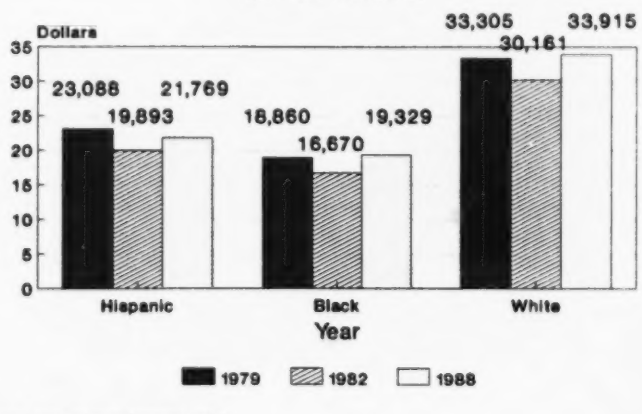
The highest poverty rates among Hispanics occurred in the early 1980s, falling slightly in subsequent years. However, this decline in the Hispanic poverty rate has been less significant than the decline experienced by other populations. In 1988, Hispanics were 10% less likely to be poor than in 1982. By comparison, Whites were 16% less likely to be poor, and Blacks, 11% less

Figure 1



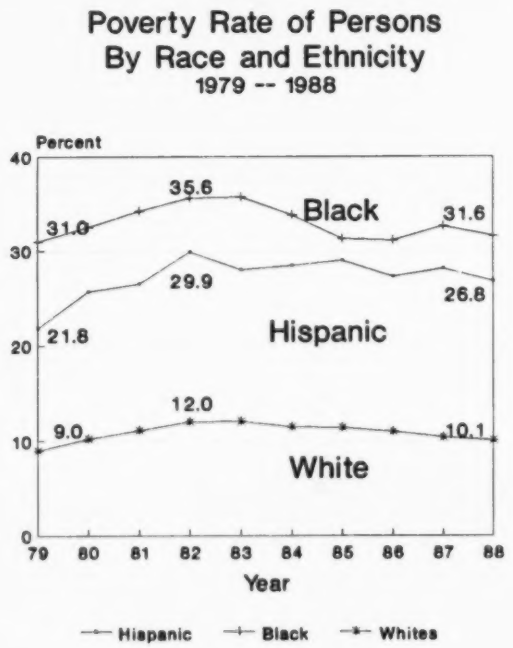
Money Income and Poverty, 1989

Figure 2



Money Income and Poverty, 1989

Figure 3



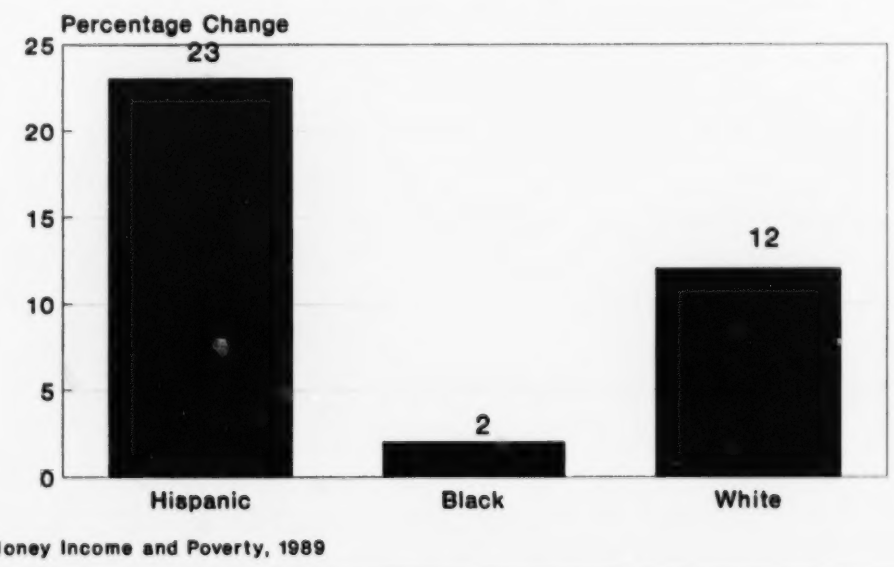
likely. In 1988, more than one in four (26.8%) Hispanic persons were poor, compared to one in three (29.9%) in 1982. In 1988, 10.1% of Whites were poor, compared to 12.0% in 1982. For Blacks, the 1988 figure was 31.6%, compared to 35.6% in 1982. (Figure 3)

The 1980s Compared to Earlier Years

Hispanics were more likely to be poor in 1988 than in any year in the 1970s, except 1975, a year in which the poverty rate reached 26.9%. Moreover, this greater likelihood of poverty does not appear to result from higher unemployment or a less robust economy: comparing 1988 with 1979 -- two years with virtually identical rates of unemployment and economic growth -- Hispanics were still 23% more likely to be poor. (Figure 3)

Among Whites, the probability of being poor was 12% higher in 1988 than in 1979. Black poverty rates have been higher than Hispanics' throughout the 1980s, with the likelihood of poverty among Blacks about 2% higher in 1988 than in 1979. (Figure 4)

Figure 4



TREND 2: High Proportions of Impoverished Children

The 1980s were a period of significant poverty among children. Hispanic children were no exception, and were among those hardest hit during the last decade.

Trends In the 1980s

In 1982, the rate of poverty among Hispanic children reached 39.5%, the highest level on record. Between 1982 and 1988, the Hispanic child poverty rate decreased only slightly, to 37.9%. In 1988, 14.6% of White children were poor, making Hispanic children about two and a half times as likely to be poor as White children. In 1988, the Black child poverty rate was 44.2%, making Black children about three times as likely to be poor as White children. (Figure 5)

Types of Families

Poverty rates vary by family type. In 1988, 19.0% of Hispanic married-couple families with children were poor, compared to 59.2% of Hispanic woman-maintained families with children. Among Whites, 6.4% of married-couple families with children were poor, and 38.2% of woman-maintained families with children. Among Blacks, 12.5% of married-couple families with children were poor, compared to 56.3% of woman-maintained families with children.

Many Hispanic children live in poverty in both married-couple families and woman-maintained families. In 1988, about half of poor Hispanic children lived in married-couple families. This proportion has remained about the same throughout the decade, with significant variations by ethnicity. In 1987, about three-fifths of poor Mexican American children lived in married-couple families, while about three-fourths of Puerto Rican children lived in woman-maintained families.

The 1980s compared To Earlier Years

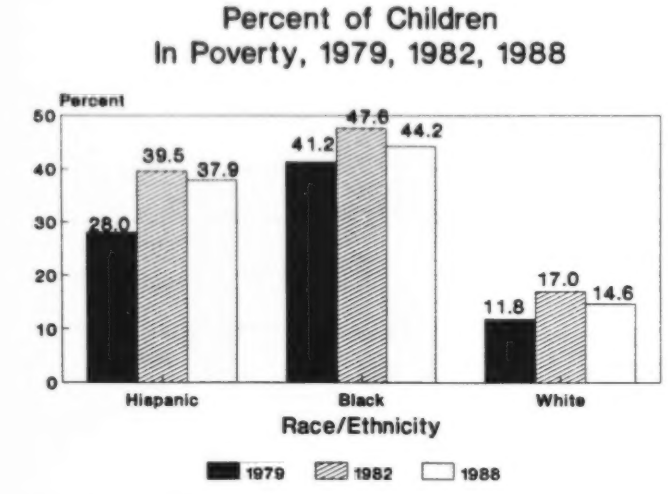
In 1988, 37.9% of Hispanic children were poor, compared to 28.0% in 1979. Even the 1976 Hispanic child poverty rate of 30.2% -- the highest recorded Hispanic child poverty rate of the 1970s-was still 20% lower than the 1988 rate.

Children Compared to Adults

In the 1980s, Hispanic children were more likely to be poor than Hispanic adults, and the poverty rate among Hispanic children grew faster than that of adults. In 1988, the poverty rate of Hispanic children was 37.9%, compared to 20.7% among Hispanic working-age adults. Hispanic children were 35% more likely to be poor in 1988 than in 1979, compared to adult working-age Hispanics who were 23% more likely to be poor. (Figure 6)

The proportion of the Hispanic and Black poor who are children is also significantly higher than the proportion for Whites. In 1988, 36% of the White poor were persons under 18 years old. By comparison, 49% of the Hispanic poor were children, and 46% of the Black poor. (Figure 7)

Figure 5



Money Income and Poverty, 1989

TREND 3: No Improvement for Hispanic Woman-Maintained Households

One fact has remained virtually unchanged in the 1980s: regardless of their race or ethnicity, families maintained by women are extremely likely to be poor. In 1988, about half (49.1%) of Hispanic and Black woman-maintained families were poor, compared to 26.5% of White woman-maintained families. Woman-maintained families with children under age 18 are even more likely to be in poverty. Three fifths (59.2%) of Hispanic woman-maintained families with children were poor, compared to 56.3% of Black and 38.2% of White woman-maintained families with children.

Figure 6

Percentage Increase in Hispanic Poverty Rates Between 1979 and 1988, for Children and Adults

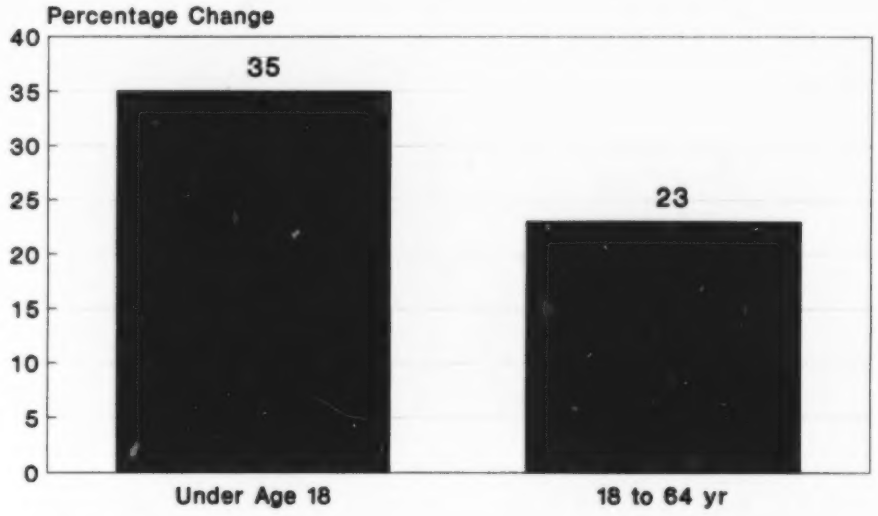


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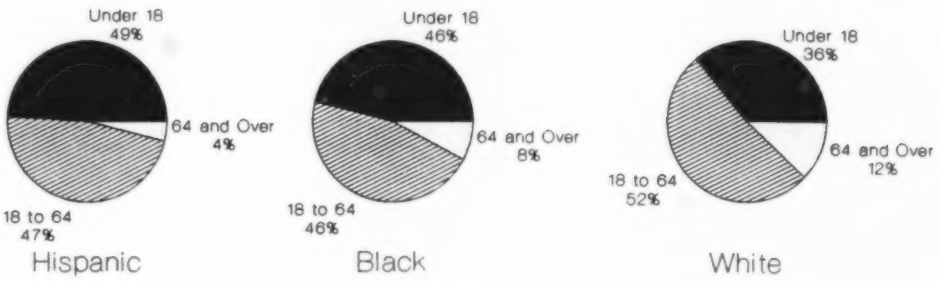
Figure 7

Age Distribution of Poor By Race/Ethnicity, 1988



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Racial/Ethnic Disparities

Hispanic and Black woman-maintained families are almost twice as likely to be poor as White woman-maintained families. This disparity is also evident in income statistics: in 1988, Hispanic woman-maintained families' median income was $11,321, 61% of the $18,685 earned by White woman-maintained families, and slightly higher than the $10,995 earned by Blacks. (Figures 8 and 9)

Changing Families

The proportion of families maintained by women increased during the 1980s, mirroring trends in the overall population. In 1988, Hispanic woman-maintained families made up 23.4% of all Hispanic families, a 7% increase from the 1980 rate of 21.8%. Part of this increase reflects a rise in the already high proportion of Puerto Rican women-maintained families: In 1980, 34.7% of Puerto Rican families were maintained by women, compared to 44.0% in 1988.

Among Whites, the proportion of families maintained by women increased from 11.9% in 1980 to 13.0% in 1988; among Blacks, this proportion grew from 41.7% in 1980 to 43.5% in 1988. Hispanic families continue to be about twice as likely as White families to be woman-maintained, and about half as likely as Black families.

Educational Attainment of Female Householders

Low educational attainment levels are closely associated with high poverty rates. In 1988, the poverty rate of Hispanic women householders who had less than a high school education was 60% higher than that of Hispanic women householders who had completed four years of high school. (Figure 10)

Hispanic women householders have lower educational attainment levels than either Black or White women householders. In 1988, 44.4% of Hispanic women householders were high school graduates, compared to 64.4% of Black and 72.2% of White women householders. (Figure 11) Among His-

Figure 8

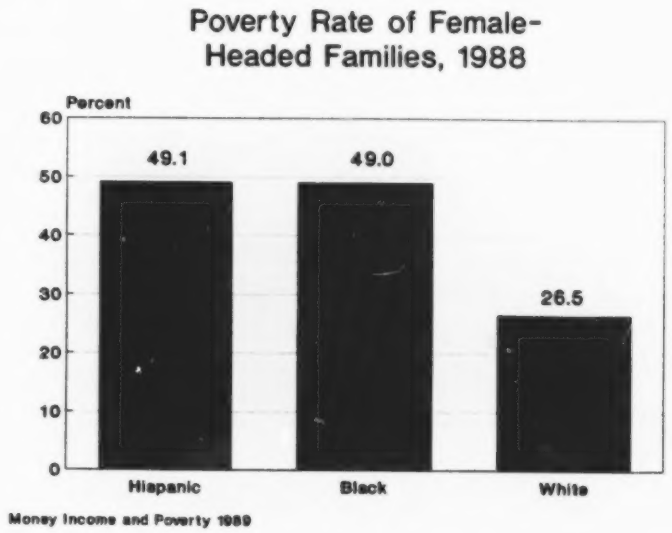
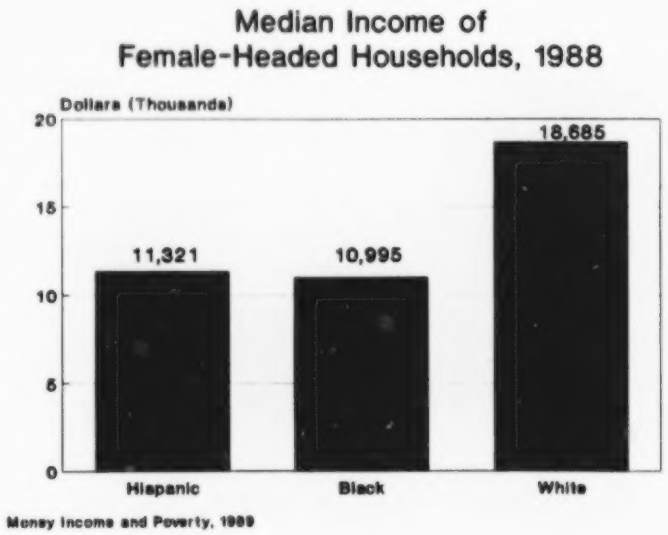


Figure 9



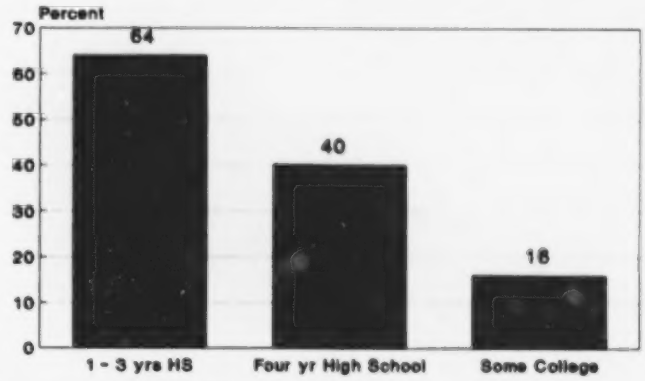
panic women householders living in poverty, the proportion who had completed high school was 28.7%, compared to 52.9% of comparable Black women and 52.5% of comparable White women.

TREND 4: **Deepening Hardship Among Married-Couple Families**

Hispanic and Black married-couple families began the decade in about the same economic position, with both groups about two and a half times as likely as Whites to be poor. However, Hispanic married-couple families experienced a greater decline in economic status during the recession than either Black or White married-couple families, and have recovered more slowly since the recession. Consequently, since 1982, Hispanic married-couple families have had higher poverty rates and lower income levels than either Black or White married-couple families. (Figure 12)

Figure 10

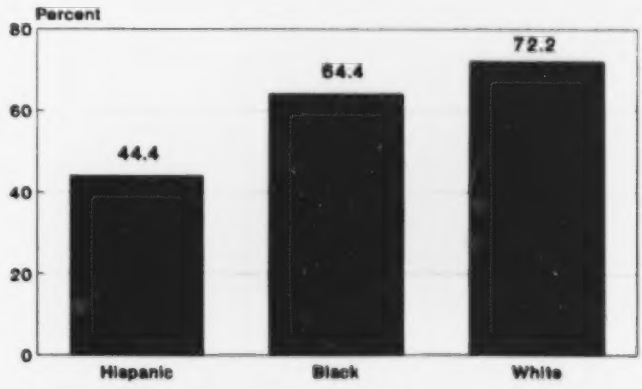
Family Poverty Rate By Educational Attainment of Hispanic Female-Headed Householder, 1988



Money Income and Poverty, 1989

Figure 11

Female Householders, Percent High School Graduates, By Race/Ethnicity, 1988



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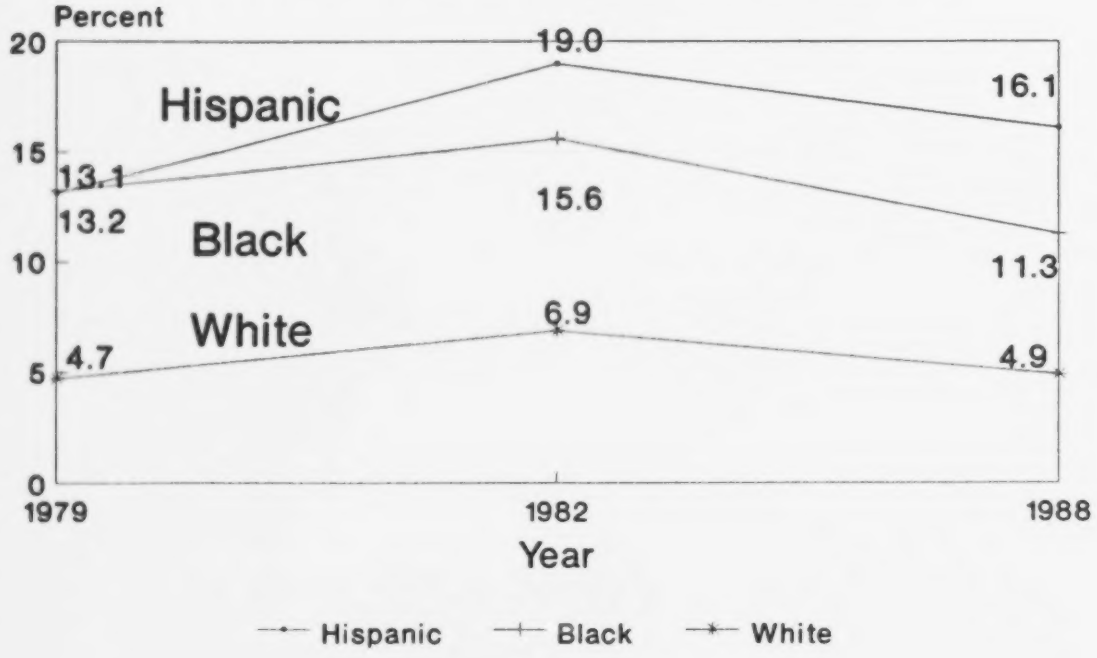
Poverty Rate of Married-Couple Families, 1979, 1982, 1988



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Trends In Poverty and Income

In 1979, the poverty rate of Hispanic married-couple families was 13.1%, essentially the same as that of Black married-couple families (13.2%), and two and a half times as high as that of White married-couple families (4.7%). By 1982, married couple family poverty rates had grown to 19.0% among Hispanics, 15.6% among Blacks, and 6.9% among Whites. Between 1979 and 1982, the poverty rate of Hispanic married-couple families grew by 45%. This growth exceeded the growth in the poverty rate among Black married-couple families (18%), and roughly equaled the growth in poverty among White married-couple families (47%). Although the poverty rate of White and Hispanic married-couple families grew at about the same pace between 1979 and 1982, the poverty rate for these Hispanic families remained more than two and a half times as high as that of Whites.

Between 1982 and 1988, the poverty rate among Hispanic married-couple families decreased from 19.0% to 16.1%. With this 15% decrease in poverty, Hispanic married-couple families recovered less than half the ground lost between 1979 and 1982. In the same time period, the White married-couple family poverty rate fell from 6.9% to 4.9%; Among Blacks, this rate fell from 15.6% to 11.3%.

By 1988, Hispanic married-couple families were 23% more likely to be poor than they had been in 1979. By comparison, White married-couple families were 4% more likely to be poor, and Blacks, 14% less likely. (Figure 13)

Hispanic married-couple families have also fallen proportionately farther behind their White counterparts over the last decade. In 1988, the poverty rate of Hispanic married-couple families was 3.3 times as high as the poverty rate of White married-couple families. By comparison, in 1979 the Hispanic poverty rate was 2.8 times as high as that of Whites.

In terms of income, the 1988 median income of Hispanic married-couple families was $25,769 – significantly lower than that of Blacks, $30,424, and of Whites, $36,883. In other words, in 1988, Hispanic married couples' median income equalled only about 70% that of White married couples -- a 10% decrease from the 1979 ratio of 77%. For Black married couples their 1988 median income equaled 82% of the 1988 White married-couple family income. (Figure 14)

Hispanic Married Women Earners

Hispanic women make important financial contributions to their families. In 1988, the median income of Hispanic married-couple families with a wife in the paid labor force was $31,864, about 67% higher than the $19,117 of married-couple families in which only the husband was in the paid labor force.

Hispanic married women are also increasingly likely to be in the paid labor force. In 1988, 51.9% of Hispanic married women were in the paid labor force, compared to 46.2% in 1979. The proportion of Hispanic married women in the paid labor force increased by 12% within this eight-year span.

Although the economic contributions of Hispanic women are relatively significant, low labor force participation remains a distinguishing characteristic of the Hispanic married women population. In 1988, 51.9% of Hispanic married women were in the paid labor force, compared to 64.8% of Black married women and 56.3% of Whites. Hispanic married-couple families are also more likely than other families to depend solely on husband's earnings. In 1988, the husband was the only spouse working in 48.1% of Hispanic married-couple families, compared to 43.7% of White and 35.2% of Black married-couple families.

Two-Earner Families

Hispanic married-couple families with two workers are much less likely to be poor than Hispanic married-couple families with one worker. In 1988, 27.4% of Hispanic married-couple families with one worker were poor.

Figure 13

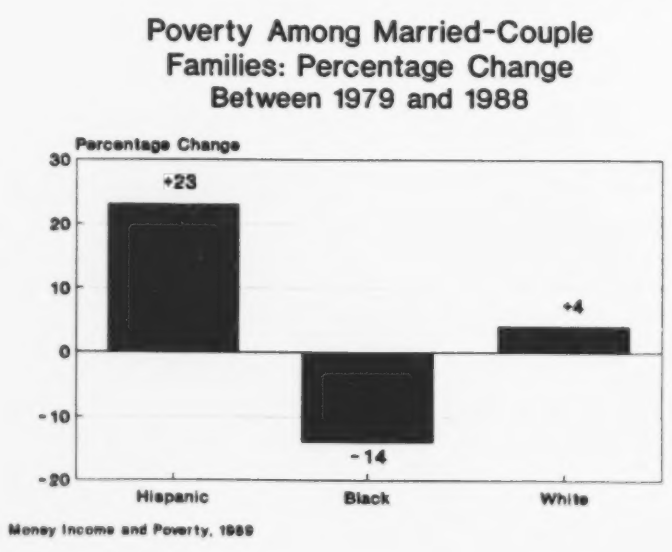
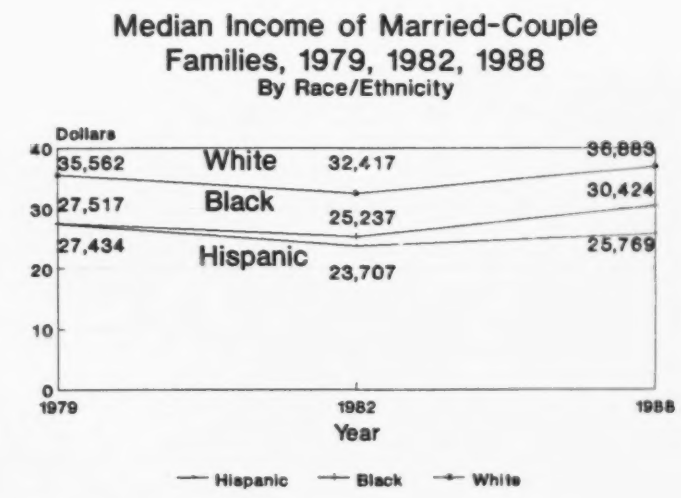


Figure 14



Money Income and Poverty 1989

By comparison, 9.6% of Hispanic married-couple families with two workers were poor in 1988. Thus, a second worker in a Hispanic family decreases the probability of the family being poor by 65%.

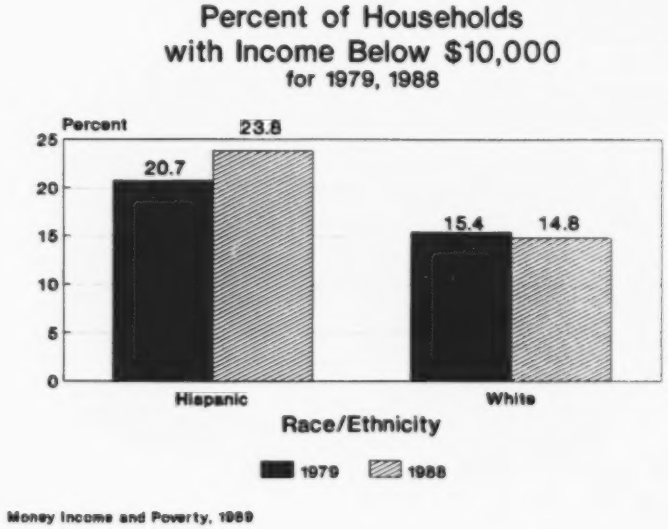
Racial/Ethnic Disparities

Among married-couple families with the same number of workers, Hispanics are still more likely to be poor than either Blacks or Whites. In 1988, 27.4% of Hispanic married-couple families with one worker were poor, compared to 20.3% of comparable Black families and 8.3% of White families. In the same year, 9.6% of Hispanic married-couple families with two workers were poor, compared to 5.2% of comparable Black families and 2.8% of comparable White families.

Families With Children

In 1988, Hispanic married-couple families averaged 2.12 children per family, more than Whites (1.85 children per family) and Blacks (1.89 children per family). Hispanic married-couple families were about two times

Figure 15



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as likely as Whites to have three or more children. In 1988, 20.5% of Hispanic married-couple families had three or more children, compared to 9.5% of White and 15.4% of Black married-couple families.

The likelihood of poverty generally increases as the number of children in a family increases. In 1988, the poverty rate of Hispanic married-couple families with one child was 10.7%; with two children, 16.5%; with three children, 30.0%; and with four children, 27.7%. The poverty rate of White married-couple families with one child was 4.0%; with two children, 5.7%; with three children, 10.9%; and with four children, 14.4%. Among Black married-couple families with one child, the poverty rate was 7.6%; with two children, 10.8%; with three children, 13.1%; and with four children, 33.3%. The poverty rate of all Hispanic married couples with children was 19.0%, compared to 6.4% of White and 12.5% of Black married-couple families.

These data also show that Hispanic married-couple families are more likely to be poor than White or Black married-couple families with the same number of children. For married-couple families with one, two or three children, the poverty rate of Hispanics was more than two and a half times as high as the poverty rate of Whites. Similarly, for families with more than three children, the poverty rate of Hispanics was almost double that of Whites.

TREND 5: Widening Income Disparity

Over the past decade, U.S. society has become increasingly divided into those with high incomes and those with low incomes.[2] Within this overall trend, Hispanics remain clustered at the low end of the income spectrum.

More Low-Income Households

In 1979, about one in five (20.7%) Hispanic households had incomes of less than $10,000 per year (in 1988 dollars). By 1988, this proportion had risen to almost one in four (23.5%). In 1988, Hispanics were 14% more likely to make under $10,000 than they were in 1979. (Figure 15)

Poor Fall Deeper Into Poverty

Hispanic families who are poor have fallen more deeply into poverty during the last decade. In 1979, the median amount by which poor Hispanic families fell below the poverty line was $3,672 (in 1988 dollars). By 1988, this "income deficit" had grown to $4,059, a 35% increase.

By comparison, the median amount by which poor White families fell below the poverty line grew from $3,271 in 1979 to $3,997 in 1988 -- a 22% increase. For poor Black families, this income deficit grew by 24%, from $4,005 in 1979 to $4,949 in 1988. (Tables 16 and 17)

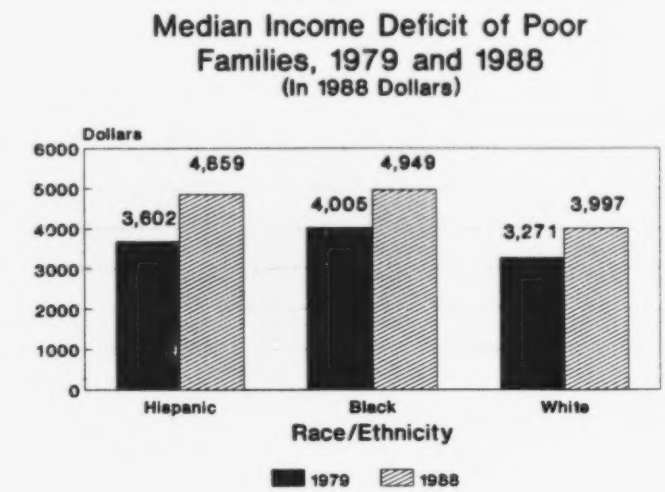
In 1988, almost one in ten (9.7%) Hispanic families had incomes at or below 50% of the poverty line. By comparison, about 2.9% of White families and 13.4% of Black families had incomes this low. Hispanic families were three times as likely as White families to have incomes below 50% of the poverty threshold. Black families were about four and one half times as likely as Whites to fall this far below the poverty line.

Hispanic/White Income Gap Grows

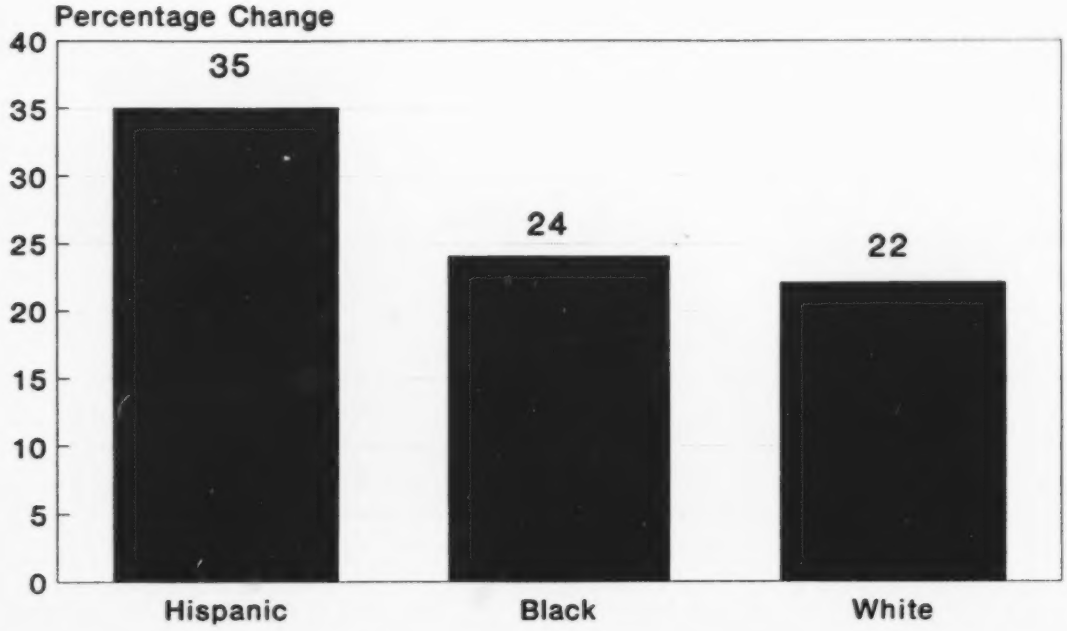
In 1988, the median family income of Hispanic families was $21,769, compared to $33,915 of White families. In other words, the 1988 Hispanic median family income equaled only 64% of White family income, a decrease of eight percent since 1979, when this proportion was 69%. (Figure 18)

Hispanics are less likely than Whites to have high incomes, and more likely than Whites to have low incomes. In 1988, one in five (22.1%) White households had incomes above $50,000, while the same was true for only one in ten (10.8%) Hispanic households. On the other end of the spectrum, almost one in four (23.5%) Hispanic households had incomes below $10,000, while only

Figure 16

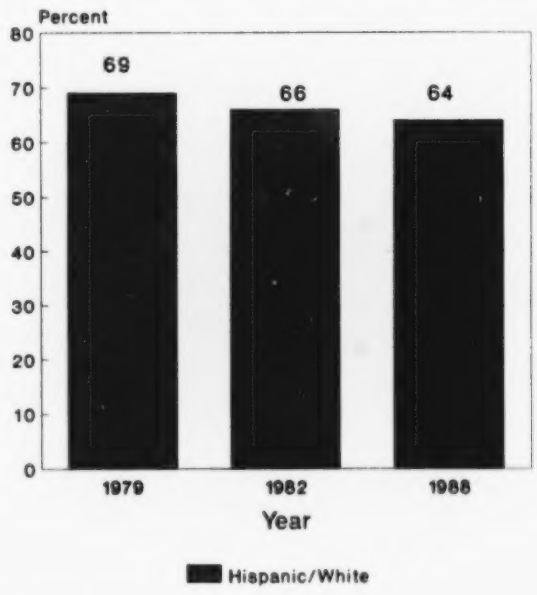


Median Income Deficit of Poor Families: Percentage Increase
Between 1979 and 1988



Money Income and Poverty, 1989

Figure 18



one in seven (14.0%) White households had incomes below this amount. Hispanics were almost 60% more likely than Whites to have incomes less than $10,000 per year.

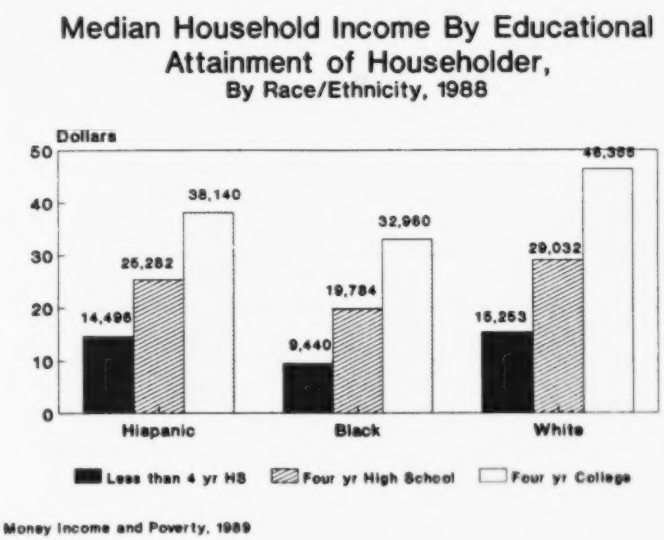
TREND 6: Still Significant, Still Unequal Benefits From Education

The United States is undergoing a serious educational crisis, with Hispanics among those suffering its worst impact.

Economic Benefits of Education

For all groups, including Hispanics, low educational attainment is closely associated with low incomes and high poverty. In 1988, Hispanic householders with less than four years of high school had a median household income of $14,496 -- 43% less than the $25,282 median household income of Hispanic householders with four years of high school or some college. His-

Figure 19



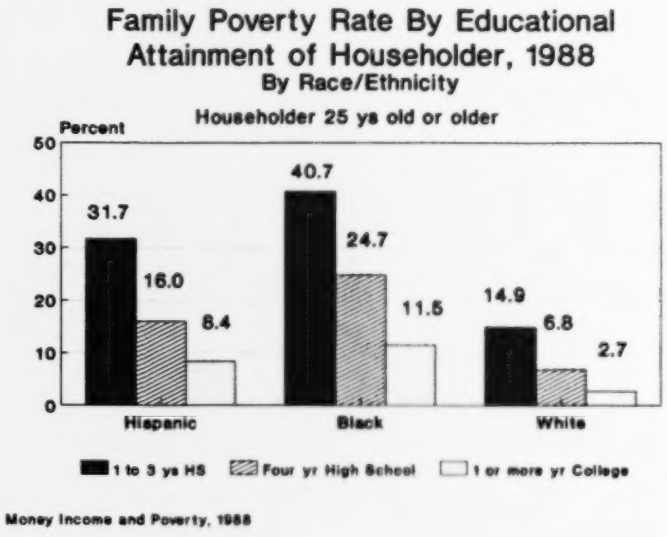
panic householders completing four years of college had a median income of $38,140 -- 51% higher than that of Hispanics completing only high school. (Figure 19)

In 1988, one third (31.7%) of Hispanic high school dropouts were poor, compared to 16.0% of Hispanic high school graduates and 8.4% of Hispanics with some college. In other words, Hispanic high school dropouts were two times as likely as Hispanic high school graduates to be poor, and almost four times as likely as Hispanics with some college. (Figure 20)

Although Hispanic educational attainment levels have improved in recent years, their educational attainment levels still lag far behind those of Blacks and Whites, and are improving at a slower rate than those of Blacks. In 1988, about half (50.1%) of all Hispanics age 25 years old and older were high school graduates, compared to 45.3% who were high school graduates in 1980. For Whites, this proportion was 78.4% in 1988, compared to 70.5% in 1980. The proportion of high school graduates among Blacks 25 years and older increased from 51.2% in 1980 to 64.7% in 1988. Fo Hispanics and Whites, the proportion of high school graduates grew by 11% between 1980 and 1988. For Blacks, this proportion grew by 26%.[3] (Figure 22)

Similarly, the proportion of Hispanics who had less than a high school education was 48.3% in 1988, higher than the proportions among Blacks (34.1%), or Whites (21.5%). The proportion of Hispanics completing at least one year of college was 22%, lower than the 27.6% among Blacks and 38.9% among Whites who completed this level. (Figure 21)

Figure 20



There is also a substantial income gap between Hispanic and White householders of comparable education levels.

Racial/Ethnic Disparities

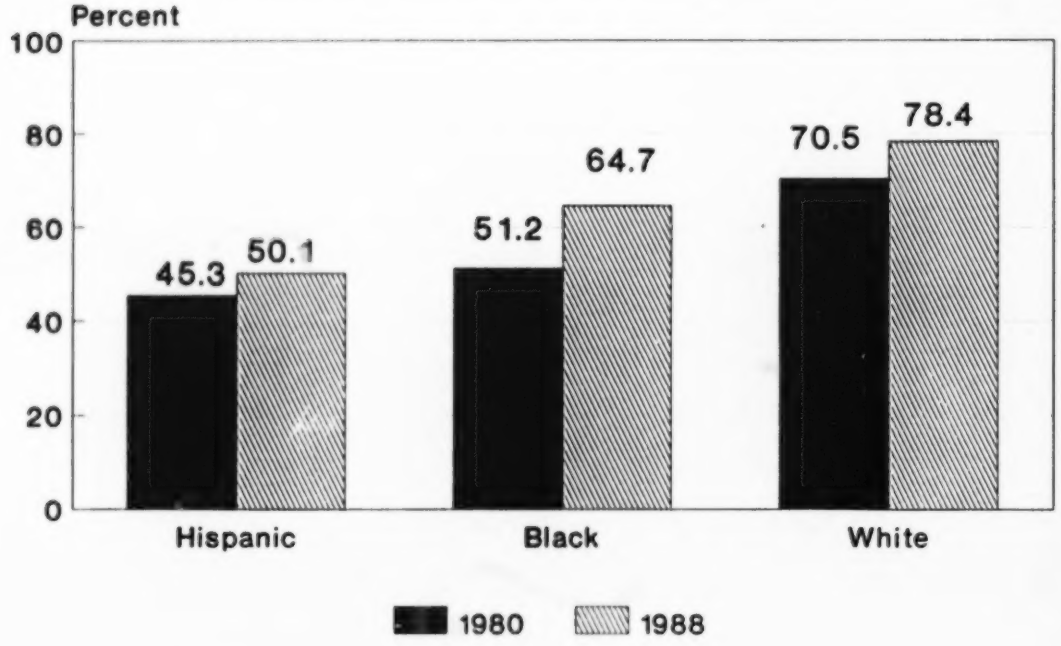
At every level of educational attainment, Hispanics -- and Blacks -- are significantly more likely than Whites to live in poverty. In 1988, Hispanics with less than four years of high school were twice as likely to be poor as comparable Whites. For Blacks, this likelihood was about two and a half times as great as that of Whites. Similarly, Hispanics with four years of high school were about 2.3 times as likely as comparable Whites to be poor. For Blacks, this likelihood was about 3.6 times as great.

There is also a substantial income gap between Hispanic and White householders of comparable education levels. In 1988, Hispanic householders with less than four years of high school had a median income about 5% lower than that of comparable White householders. Among householders with four years of high school or some college, Hispanic median income was 13% lower than that of Whites. Among householders with four years of college, Hispanic median income was 18% lower than that of comparable Whites. (Figure 19)

Returns to Education Decreasing

Hispanics at every level of education were more likely to be poor in 1988 than in 1978. For example, in 1978, 12.5% of Hispanic families with householders who completed four years of high school were poor, compared to 16.0% in 1988. The likelihood of pov-

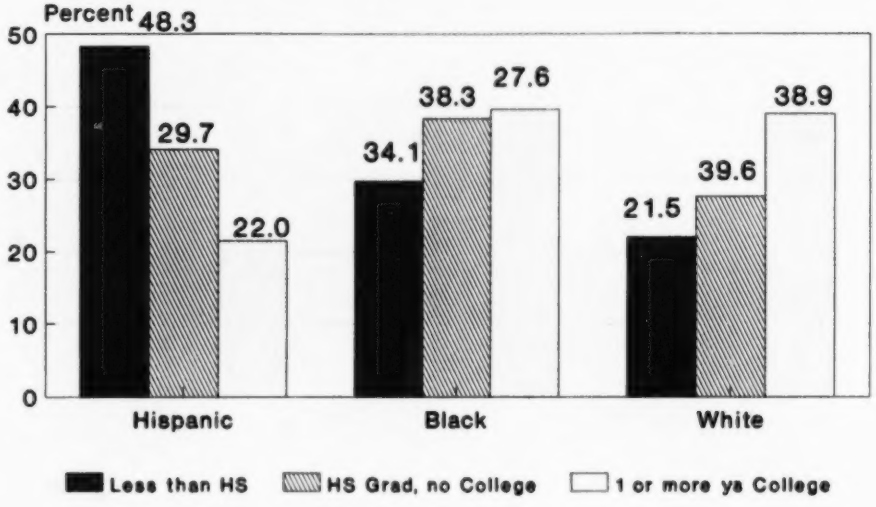
Proportion High School Graduates: Householders 25 Years and Older



Money Income and Poverty, 1989

Figure 21

Educational Attainment of All Persons Age 18 ys and Older, 1988
By Race/Ethnicity



Money Income and Poverty, 1989

erty among Hispanic families with householders who completed four years of high school increased by 28% between 1978 and 1988. (Figure 23)

TREND 7: Men's Earnings Decreasing; Women's Earnings Increasing

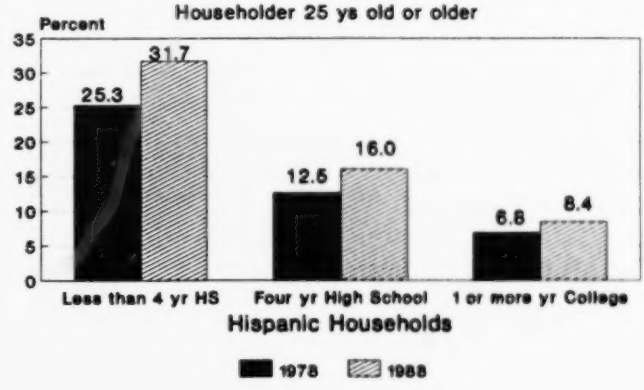
Low-Wage Workers in 1988

Among householders working year-round full-time,[4] Hispanics are more likely to be poor than any group in the country. In 1988, Hispanic householders working year-round full-time were three and a half times as likely to be poor as comparable Whites and 26% as likely as comparable Blacks. Among Hispanic householders who worked year-round full-time, 8.8% were poor. Among Blacks, this proportion was 7.0%, and among Whites 2.5%. (Figure 24)

Hispanic full-time workers are also more likely than non-Hispanics to be earning low-wages. In 1988, 18.4% of Hispanics who worked full-time earned

Figure 23

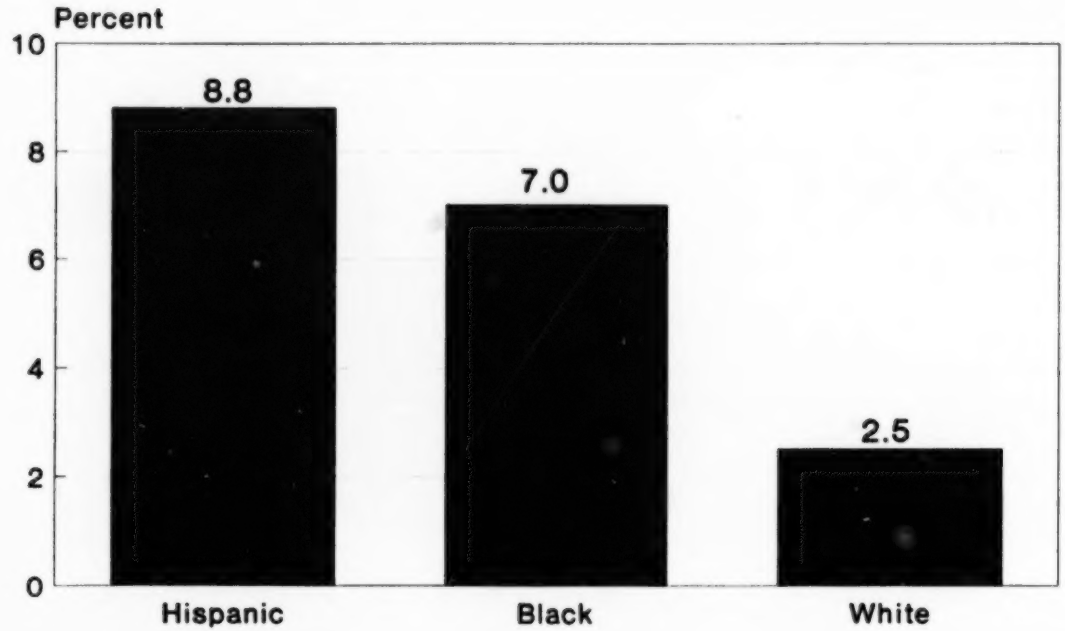
Hispanic Family Poverty Rate by Educational Attainment of Householder
1978 and 1988



Money Income and Poverty/Census Bureau

Householders Working Year-Round Full-Time: 1988 Family Poverty Rate

by Race/Ethnicity



Money Income and Poverty, 1989

$4.50 per hour or less, compared to 11.5% of Whites. Among workers overall, 24.2% of Hispanics earned less than $4.50 per hour, compared to 20.5% Whites.[5]

Growing Proportion Of Low-Wage Workers

The proportion of Hispanic low-wage workers grew substantially during the last decade. Between 1979 and 1988, the proportion of Hispanic householders working full-time year-round and living in poverty grew by 32%, increasing from 6.0% to 8.8%.

Earnings of Women Increase During 1980s

Hispanic women's earnings remain lower than those of other women. In 1988, Hispanic women year-round full-time workers earned an average of $14,845 -- the lowest earnings of any group in the country. White women year-round full-time workers earned an average of $17,819 and Black women, $16,538. (Figure 25)

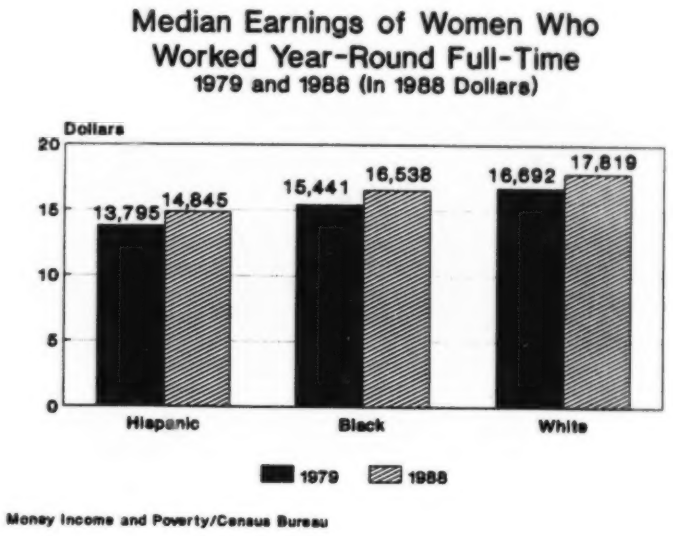
Despite these low earnings, Hispanic women workers are about as likely as White women workers to work year-round full-time. Among both Hispanic and White women workers, about half (50.9% and 50.6% respectively) were employed year-round full-time. Among Black women workers, 57.2% worked year-round full-time.

In the 1980s, there was improvement in the earnings of Hispanic women year-round full-time workers. In 1979, Hispanic women working year-round full-time had annual median earnings of $13,795 (in 1988 dollars). By 1988, their median earnings had grown to $14,845 -- and increase of 8%. Similarly, the earnings of Black and White women working year-round full-time increased by 7%. (Figure 25)

Earnings of Men Decrease During 1980s

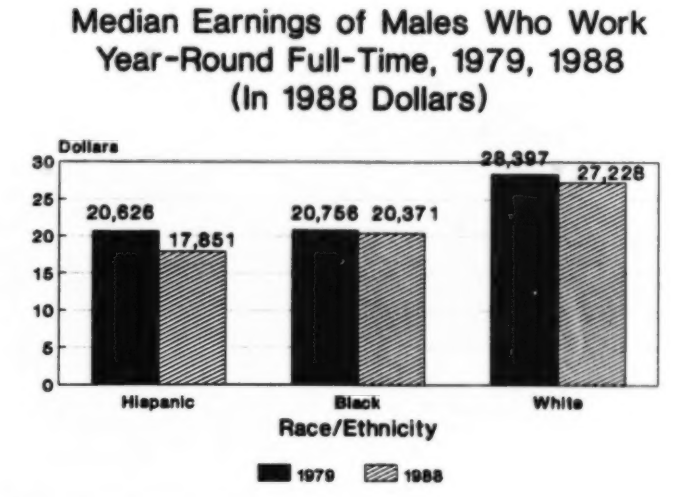
In 1988, the median earnings of Hispanic men who worked year-round full-time were $17,851 -- less than those of both comparable White and Black men workers. The 1988 median earnings of comparable White men

Figure 25



Money Income and Poverty/Census Bureau

Figure 26



Money Income and Poverty, 1989

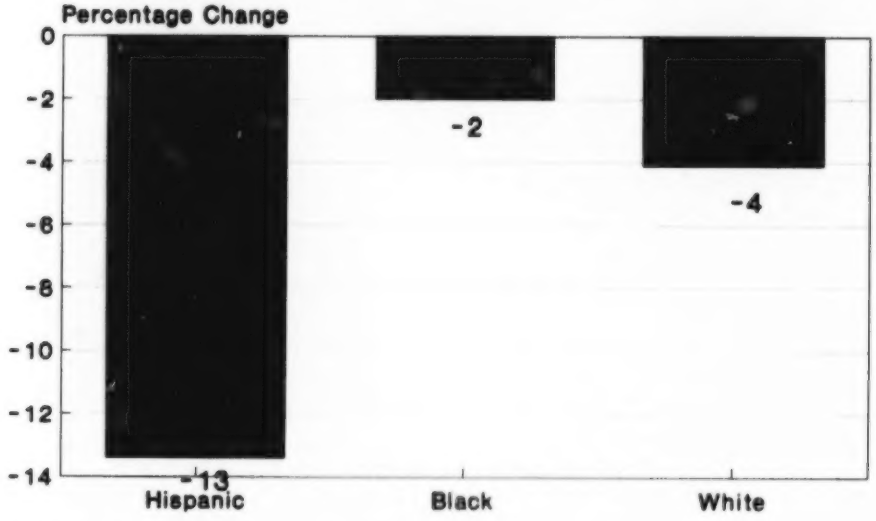
workers were $27,228, and of comparable Black men workers, $20,371. (Figure 26) Among Hispanic male workers, 64.8% worked year-round full-time, compared to 69.4% of White male workers, and 61.4% of Black male workers.

Between 1979 and 1988, the gap between Hispanic and White male earnings grew. In 1979, Hispanic male year-round full-time workers earned 72.6% of the annual earnings of comparable White males. By 1988, this figure had fallen to 65.6%.

The real earnings of Hispanic year-round full-time male workers also declined during the last decade. Adjusting for inflation, the median earnings of Hispanic males working year-round full-time declined from $20,626 in 1979 to $17,851 in 1988, a 13% decrease. For White and Black male earners, the decline was less severe. Between 1979 and 1988, the earnings of Black male year-round full-time workers decreased by 2%, and the earnings of White year-round full-time workers decreased by 4%. (Figure 27)

Figure 27

Median Earnings of Male Year-Round Full-Time Workers: Percentage Change Between 1979 and 1988, By Race/Ethnicity



Money Income and Poverty/Census Bureau

DISCUSSION

As the preceding section illustrates, Census data can help describe some important trends which have occurred among Hispanics in the 1980s. In the following section, some of the most important factors contributing to these trends are examined, including:

- Concentration in low-wage, unstable jobs
- Undereducation
- Demographic characteristics
- Immigration
- Cut-backs in federal programs
- Discrimination

Concentration in low-wage, unstable jobs was one of the most significant factors contributing to Hispanics' economic disadvantage in the 1980s.

· **Hispanics are concentrated in low-wage jobs.** About one-fourth of all Hispanics are employed as "operators, fabricators, and laborers, "compared to one-sixth of Whites and almost one-fourth of Blacks. Most Hispanics in this occupational category are employed as machine operators and assemblers. Hispanics are also overrepresented in farming and related occupations, as well as service occupations. Among Hispanic women, 15.5% are employed in operative jobs (e.g., dressmakers, assemblers, machine operators), a substantially higher proportion than the 8.8% among women overall.[5]

· **Working Hispanics are overrepresented in industries with declining employment.** About one-third of all employed Hispanics work in agriculture, mining, manufacturing and private services (private households). In the working population overall, only about one-fifth are employed in these areas.[6]

· **Hispanic rates of worker displacement are higher than those of any major population group.** Between 1981 and 1985, Hispanics were 23% more likely than Whites to lose their jobs through plant closings. During the same period, Hispanics were 39% more likely than Whites to have had no job since being displaced. [7]

At a time when education has become a cornerstone of economic security, Hispanics are the most undereducated group in the country.

· **Hispanics Are Severely Undereducated.** In 1988, only half of all Hispanics 25 years old and over were high school graduates, compared to 78.4% of Whites and 64.7% of Blacks. In addition, nearly three-fourths of Hispanic students have been placed in non-academic curriculum tracks -- making qualification for higher education virtually impossible. Between 1976 and 1986, the percentage of Hispanic high school graduates entering college decreased from 35.8% to 29.4%.[8]

· **Current Educational Programs Do Not Reach All The Hispanics In Need.** For example, in the area of higher education, federal cut-backs in Pell Grants and other programs have had a serious impact on Hispanics' ability to attend post-secondary institutions: in 1986, 40% of Hispanic students received financial aid, compared to 32% of White students. In other words, although Hispanic students were 200% more likely than Whites to be poor, they were only 25% more likely to receive financial aid.[9]

Some of Hispanics' economic disadvantage is explained by demographic characteristics.

· **Changing Families.** As this report demonstrates, in the 1980s, a high and growing proportion of Hispanic women faced the economic challenges of raising a family alone. The economic challenges of raising a family are great, particularly for those whose lack of adequate education and training makes it hard to be a "breadwinner."

· **Age.** In 1988, the median age of Hispanics was 25.5 years, compared to

32.9 years among non-Hispanics. Because of this difference, fewer Hispanics than non-Hispanics had reached their peak income levels. For example, the median household income of Hispanics aged 25-34 was $20,421; for Hispanics aged 35-44, $24,715; and for Hispanics aged 45-54, $25,546. As the median age of the Hispanic population rises, income levels would also be expected to rise. However, comparing the median income levels of Hispanics and Whites in the same age group, Hispanic median income levels are still lower. In 1988, the median income of Hispanic householders aged 25-34 equaled only 68% that of their White counterparts; among Hispanic householders aged 35-44, 65%, and among Hispanic householders aged 44-55, 63%.[10]

Immigration alone does not explain the prevalence of economic disadvantage among Hispanics.

Although foreign-born Hispanics have slightly higher poverty rates and lower median incomes than U.S.-born Hispanics, the most significant economic differential lies between Hispanics and Whites. According to the 1980 Census, the most recent reliable information source:

· About two-thirds of all Hispanics were born in the United States. Following the 1970s -- a decade of substantial Hispanic immigration -- 1980 Census data on foreign-born Hispanics produced only a slight depression in measures of Hispanics' overall economic status in that year. In 1980, the overall Mexican American poverty rate was 21.4%, compared to 19.2% among U.S.-born Mexican Americans only.

· 1980 Census data show a substantial economic differential between U.S.-born Hispanics and Whites. According to these data, the U.S.-born Hispanic family poverty rate of 19.2% was 140% higher than the 8.0% poverty rate among White families.

· In the 1980 Census, the overall Mexican American family poverty rate was 21.4%. Within this overall rate, the foreign-born Mexican American poverty rate was 24%, while that of U.S.-born Mexican Americans was 19.2%. In other words, if the foreign-born had not been counted in the overall 1980 Mexican American poverty rate, the overall rate would have been 10% lower. Looking at 1987, even if excluding the foreign-born would lower the overall Mexican American family poverty rate by a full 30% -- three times its impact in 1980 -- the native-born Mexican American family poverty rate would decrease only from 25.8% to 18.1%, remaining significantly higher than the 1987 rate of 8.2% among White families.[11]

Cut-backs in federal programs have adversely affected low-income Hispanics.

In 1979, 627,000 Hispanic families with children had earned incomes below the poverty line. With the additional income from cash benefits, 82,000 of these families had enough total income to keep them above the poverty line. In other words, 13.1% of otherwise poor Hispanics were kept out of poverty by cash benefits. In the 1980s, reductions in federal low-income programs diminished these programs' beneficial impact. By 1987, only 6.9% of otherwise poor Hispanics were kept out of poverty by cash benefits -- about half the proportion eight years earlier.[12]

Some of the economic disparity between Hispanics and Whites is attributable to employment discrimination.

Empirical evidence indicates that Hispanics experienced significant levels of employment discrimination throughout the decade. At least f
pendent studies have found
after controlling for factors
affect employment and earn
panics face significant differe
ment in the labor market:

· A 1982 report by the U.S.
sion on Civil Rights based
Census data found that si
disparities existed in unem
and earnings levels betwee
and Hispanics, even after co
for differences in education, a
pation, vocational prepara
geographic region.[13]

· A National Council of La Ra
sis of March 1981 Current Po
Survey data found that 14
earnings gap between White
panic males, and 29% of the
tween White and Hispanic
was attributable to ethnicity a
presence of these earnings ga
when controlling for differenc
cational attainment, number
worked, and occupation and
cates that some of the earning
ity between Whites and Hispa
attributable to employment
nation.[14]

· A 1985 University of Colora
found that discrimination a
market segmentation accou
18.1% of the difference betw
panic male and White male
The Colorado study demonstr
this discrimination and segm
differential was greater than
mated 15.8% differential att
to demographic or human ca
ferences.[15]

· A 1987 Southern Illinois U
study found that, in cities w
Hispanic populations, segrega
discrimination were responsi
much as 31.2% of the differ
tween Hispanic and White un
ment rates.[16]

When combined with wi
anecdotal evidence, these
demonstrate that discrimina
mains a major contributor to
portionate poverty among Hi

CONCLUSIONS AND POLICY IMPLICATIONS

By any standard, Hispanics lost ground economically during the 1980s. Hispanics' median family income declined both in real dollars and in comparison with other groups. Poverty among Hispanic children remained substantial. Hispanic woman-maintained families were unable to improve their economic status. And, in addition to the prevalence of poverty, the degree of hardship facing poor Hispanics also deepened.

One of the most troubling trends identified in this report is the declining position of working, married-couple Hispanic families. Some Americans believe that the Hispanic poor do not work and do not live in intact families. The worsening situation of working married-couple Hispanics dramatically belies this myth. Poverty can afflict even those who are committed to hard work and family values.

Immediate policy interventions are possible, including:

- **Increasing the value of work**, by combining a meaningful minimum wage increase with an expanded Earned Income Credit;
- **Improving educational opportunities**, by providing increased funding for programs, such as Head Start, Chapter 1, and Pell Grants, which have been successful in helping disadvantaged students;
- **Enhancing employment opportunities**, by targeting employment and training programs to the most disadvantaged, expanding quality child care opportunities, and making both of these programs more responsive to Hispanic needs;
- **Reducing employment discrimination**, by vigorously enforcing civil rights laws and restoring protections weakened by recent Supreme Court decisions.

Other major factors contributing to Hispanic poverty will require long-term, sustained policy intervention. For example, one of the primary objectives of the education reform movement is to improve educational outcomes for "at-risk" students, including Hispanics; there is far less consensus on types of reforms needed to achieve this objective. The extent to which reform efforts actually improve Hispanics' educational outcomes will in large part determine the scope and degree of Hispanic poverty in the 1990s and beyond.

Similarly, there is considerable debate about the relationship between the growth of low-wage, "dead-end" jobs and persistently high rates of poverty. Thoughtful analyses are needed to identify appropriate policy responses to the changing U.S. and world economies.

In the 1990s, reducing inequality between Hispanics and the rest of society will not be a moral preference, but an economic imperative. Hispanics will constitute about one-third of overall labor force growth between now and the end of the century, and a growing proportion of taxpayers supporting Social Security, Medicare and other transfer payment systems needed to support an aging society. An untrained and underemployed labor force will not only retard direct economic output, but increase demand for public assistance and diminish the tax base necessary for the support of essential government services. Improving the Hispanic community's economic standing -- and the human capital characteristics of individual Hispanics -- clearly serves the economic interest of the nation.

A modest investment in the Hispanic community will provide substantial returns to society. Despite the troubling overall trends identified in this report, there is considerable evidence that programs targeted to Hispanics will achieve results. Even in the face of growing poverty, reduced real earnings and the intense family pressures that have characterized the 1980s, Hispanic Americans continued to contribute to the social and economic strength of the nation. Clearly, Hispanics are a "good bet" for future public policy investments.

Endnotes

1. Section II of this report, "Seven Trends In the 1980s," is based primarily on information from the Census Bureau's survey of households taken every March. This survey, the March Current Population Survey ("March CPS"), is the largest, most accurate source of annual information on Hispanics. The most recent March CPS data was released in October, 1989.

   The March CPS has some significant limitations. First, because the number of Hispanics surveyed in each subgroup (e.g., Mexican Americans, Puerto Ricans, Cuban Americans, etc.) is relatively small, most of the Hispanic information is published in the aggregate, without detailed information on particular Hispanic populations. Second, although the CPS survey is taken every year, it does not track the same people over time. Because the CPS is not "longitudinal," it cannot indicate if an individual household's economic status is getting better or worse over time. Third, because the CPS survey asks one question regarding race (e.g., Black or White) and one question regarding ethnicity (e.g., Hispanic, Native American, etc.), each Hispanic is counted in both a race and an ethnic category. In the 1980 Census, more than 60% of Hispanics identified themselves as White. In the CPS, 90% of Hispanics identify themselves as White. Finally, there is much that CPS data do not tell us, including both the attitudes and aspirations of those surveyed, and the situation in which they live. As sociologist Clara Rodriguez writes, "the data are not the people."

2. See, for example, Trends In Family Income: 1970-1986, The Congressional Budget Office, February, 1988.

3. Lori S. Orum, The Education of Hispanics: Selected Statistics, National Council of La Raza, July 1985.

4. Year-round, full-time = 50-52 weeks a year, full-time.

5 Marta M. Escutia and Margarita Prieto, Hispanics In the Workforce: Part 1, The National Council of La Raza, 1989.

6. Judith Gonzales and Fred Romero, Falling Through The Cracks: Hispanic Underrepresentation In The Job Training Partnership Act, National Council of La Raza, 1989.

7. Gonzales and Romero, op. cit.

8. Minorities In Higher Education: Seventh Annual Status Report, American Council On Education, 1988.

9. Reversing The Trend of Hispanic Undereducation, The National Council of La Raza, 1989.

10. Money Income and Poverty In the United States: 1988, Series P-60, No. 166, U.S. Department of Commerce, Bureau of the Census, 1989.

11. Julia Teresa Quiroz, Hispanic Immigration and Poverty: Research and Policy Questions for the Next Decade, draft discussion paper prepared for the National Council of La Raza Roundtable, December 4, 1989; final version forthcoming.

12. Falling Through The Safety Net: Latinos and the Declining Effectiveness of Anti-Poverty Programs in the 1980s, Southwest Voter Research Institute, 1988; Shortchanged: Recent Developments in Hispanic Poverty, Income, and Employment, Center on Budget and Policy Priorities, 1988.

13. U.S. Commission on Civil Rights, Unemployment and Underemployment of Blacks, Hispanics, and Women, November 1982.

14. Naomi Verdugo, The Effects of Discrimination on the Earnings of Hispanic Workers, National Council of La Raza, July 1982.

15. Franklin James, Economic Progress Among Native and Foreign Born Hispanics During the 1970s, University of Colorado at Denver, June 1985.

16. John E. Farley, Disproportionate Black and Hispanic Unemployment in U.S. Metropolitan Areas: The Roles of Racial Inequality, Segregation and Discrimination in Male Joblessness, American Journal of Economics and Sociology, Vol. 46, April 1987.

Appendix A

Table I. Hispanic Persons: Number and percent by subgroup, 1989

Ethnicity	Number	Percent of All Hispanics
All Hispanic	20.1 million	
Mexican	12.6	62.6%
Central and South American	2.5	12.7
Puerto Rican	2.3	11.6
Cuban	1.1	5.3
Other Hispanic*	1.6	7.8

Source: *Commerce News*, October 12, 1989

Table 2. Growth in number and percent of Hispanics between 1982 and 1989, by subgroup (in thousands).

Ethnicity	Number in 1989	Number in 1982	% Growth
All Hispanic	20,076	15,364	30.7%
Mexican	12,567	9,642	30.3
Central and South American	2,545	1,523	67.1
Puerto Rican	2,328	2,051	13.5
Cuban	1,068	950	12.4
Other Hispanic *	1,567	1,198	30.8

Source: *Commerce News*, October 12, 1989

Table 3. Median age of Hispanics, by subgroup, 1988

Ethnicity	
All Hispanic	25.5
Mexican	23.9
Puerto Rican	24.9
Cuban	38.7
Central and South American	27.6
Other Hispanic*	29.7

Source: *The Hispanic Population In the U.S.: March 1988*, U.S. Bureau of the Census, Current Populaion Reports, Series P-20, No. 431.

*Other Hispanic includes persons from Spain and those describing themselves as "Hispanic," "Spanish," or "Latino."

Table 4. Percent of Hispanics over 25 years of age who completed four years of high school or more, and median years of school completed, by subgroup, 1988

Ethnicity	4 Yr High School	# Years School Completed
All Hispanic	51.0%	12.0
Mexican	44.6	10.8
Puerto Rican	50.7	12.0
Cuban	60.5	12.4
Central and South American	63.8	12.4
Other Hispanic*	65.2	12.4

Source: The Hispanic Population In the U.S.: March 1988, U.S. Bureau of the Census, Current Population Reports, Series P-20, No. 431.

Table 5. Proportion of foreign-born Hispanics, by ethnicity, 1980

Ethnicity	Percent
All Hispanic	29%
Mexican	26
Cuban	77
Central and South American	80
Other Hispanic*	17

Source: The Hispanic Population Of The United States, Frank Bean and Marta Tienda (Russell Sage Foundation: New York), 1988.

Table 6. Female householder, no husband present, as percentage of all families, by subgroup, 1988, 1980

Ethnicity	1988	1980
All Hispanic	23.4%	21.8%
Mexican	18.5	18.9
Puerto Rican	44.0	36.5
Cuban	16.1	16.0
Central and South American	24.4	28.5
Other Hispanic*	26.1	20.5

Source: The Hispanic Population In the U.S.: March 1988, U.S. Bureau of the Census, Current Population Reports, Series P-20, No. 431; *The Hispanic Population Of The United States.* Frank F.Bean and Marta Tienda, (Russell Sage Foundation: New York), 1988; *Statistical Abstract of the United States. 1989,* U.S. Department of Commerce, Bureau of the Census; January, 1989.

*Other Hispanic includes persons from Spain and those describing themselves as "Hispanic," "Spanish," or "Latino."

Table 7. Married-Couple families, as percentage of all families, by subgroup, 1988

Ethnicity	Percent
All Hispanic	69.8%
Mexican	74.4
Puerto Rican	51.6
Cuban	78.1
Central and South American	65.8
Other Hispanic*	67.8

Source: The Hispanic Population In the U.S.: March 1988, U.S. Bureau of the Census, Current Population Reports, Series P-20, No. 431

Table 8. Percent of families in poverty, by Hispanic subgroup, 1987 and 1980

Ethnicity	1987	1980
All Hispanic	25.8%	23.2%
Mexican	25.5	21.4
Puerto Rican	37.9	33.4
Cuban	13.8	11.2
Central and South American	18.9	19.8
Other Hispanic*	26.1	14.4

Source: The Hispanic Population In the U.S.: March 1988, U.S. Bureau of the Census, Current Population Reports, Series P-20, No. 431; *Tables On Hispanic Poverty, Income, and Employment,* Center On Budget and Policy Priorities, September 14, 1989

Table 9. Poverty rate of persons, by subgroup, 1987, 1979

Ethnicity	1987	1979
All Hispanic	28.2%	21.6%
Mexican	28.3	20.8
Puerto Rican	40.3	38.8
Unrelated Individuals:		
Cuban	33.8	n/a
Central and South American	33.3	n/a
Other Hispanic*	26.0	n/a

Source: Tables On Hispanic Poverty, Income, and Employment, Center On Budget and Policy Priorities, September 14, 1989; *The Hispanic Population Of The United States.* Frank F. Bean and Marta Tienda, (Russell Sage Foundation: New York), 1988

*Other Hispanic includes persons from Spain and those describing themselves as "Hispanic," "Spanish," or "Latino."

Table 10. Percent of Hispanic female-headed families below the poverty line, by subgroup, 1987, 1979

Ethnicity	1987	1979
All Hispanic	51.8%	49.3%
Mexican	47.1	47.9
Puerto Rican	65.3	68.7
Cuban	n/a	n/a
Central and South American	38.3	n/a
Other Hispanic*	59.2	n/a

Source: Tables On Hispanic Poverty, Income, and Employment, Center On Budget and Policy Priorities, September 14, 1989; *The Hispanic Population Of The United States*. Frank F.Bean and Marta Tienda, (Russell Sage Foundation: New York), 1988

Table 11. Hispanic related children under 18 below the poverty level, in families only, by subgroup, 1987, 1979

	1987	1979
All Hispanic	39.3%	27.4%
Mexican	37.5	25.6
Puerto Rican	56.9	50.9

Source: Tables On Hispanic Poverty, Income, and Employment, Center On Budget and Policy Priorities, September 14, 1989

Table 12. Poverty rate of families of householder with less than a high school education, by subgroup, 1987

Ethnicity	Percent
All Hispanic	36.4%
Mexican	34.6
Puerto Rican	52.1
Cuban	24.6
Central and South American	30.9
Other Hispanic*	37.7

Source: The Hispanic Population In the U.S.: March 1988, U.S. Bureau of the Census, Current Population Reports, Series P-20, No. 431

Table 13. Median family income, by subgroup, 1987, in 1987 dollars

Ethnicity	In Dollars
All Hispanic	20,306
Mexican	19,968
Puerto Rican	15,185
Cuban	27,294
Central and South American	22,939
Other Hispanic*	21,196

Source: The Hispanic Population In the U.S.: March 1988, U.S. Bureau of the Census, Current Population Reports, Series P-20, No. 431

*Other Hispanic includes persons from Spain and those describing themselves as "Hispanic," "Spanish," or "Latino."